



U.S. Immigration  
and Customs  
Enforcement

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# News Release

## LEADER OF ONE OF THE LARGEST ONLINE COUNTERFEIT PHARMACEUTICAL NETWORKS SENTENCED TO PRISON

*-- Total of Sixteen Defendants from California, Florida, Mexico, and Bahamas Charged in Scheme --*

SAN DIEGO, CA. – Michael J. Garcia, the Department of Homeland Security Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE), U.S. Attorney Carol C. Lam of the Southern District of California, and U.S. Attorney Marcos Daniel Jimenez of the Southern District of Florida, today announced that **Mark Anthony Kolowich** was sentenced in federal district court in San Diego to serve a prison term of 51 months and forfeit substantial cash proceeds for his role in operating one of the largest Internet pharmacy schemes ever prosecuted.

Kolowich, the owner of **World Express Rx**, previously pled guilty to conspiring to sell counterfeit pharmaceuticals, commit mail fraud, and smuggle pharmaceuticals, and conspiracy to launder money. In a related case in the Southern District of Florida, Kolowich pled guilty to conspiring to import unapproved drugs into the United States, introducing such drugs in interstate commerce, and smuggling unapproved drugs into the United States. In addition, charges have been filed in San Diego against five other individuals in a related Internet pharmacy fraud case involving **MyRxForLess.com**.

The case was investigated by U.S. Immigration and Customs Enforcement (ICE), the Food and Drug Administration (FDA) Office of Criminal Investigations, the Internal Revenue Service (IRS) Criminal Investigations Division, the Federal Bureau of Investigation (FBI), the U.S. Postal Service Inspection Service, and the Chula Vista Police Department.

“The smuggling of pharmaceuticals poses a significant threat to public health and ICE is committed to putting these illegal enterprises out of businesses,” said ICE Assistant Secretary Garcia. “The reality is, the quality and content of drugs sold over the Internet is a big question mark. Consumers should take extra precautions and only buy from reputable online pharmacies.”

Kolowich operated an Internet pharmacy website at [www.WorldExpressRx.com](http://www.WorldExpressRx.com), from which customers could order prescription drugs without having a prior prescription. The website directed the customer to fill out a health questionnaire and pay a \$35 fee for a doctor’s consultation. The website falsely represented that a doctor would review the questionnaire and issue a lawful prescription before the drugs were shipped to the customers. However, there was no doctor employed by, or otherwise associated with World Express Rx who reviewed the questionnaires.

The distributed pharmaceuticals included tablets and capsules containing the active ingredients for Viagra, Cialis, Levitra, Propecia, Celebrex, and Xenical, which were marked by World Express Rx as “generic” versions of those drugs. Kolowich caused counterfeit drugs to be manufactured in Mexico, and

co-conspirators smuggled the phony drugs across the border into California. The drugs were then packaged by co-conspirators and sent to customers throughout the United States and the world. Some of the ingredients for the drugs were shipped in from China and India using false shipping documents.

Kolowich also conspired with co-defendants **John Aldaz**, a licensed pharmacist in the United States and a physician in Mexico, and **Gustavo Garcia-Uriza** to smuggle unapproved Viagra from Mexico into the United States. Kolowich had planned to manufacture unapproved versions of Cialis and Viagra with Aldaz and Garcia in Mexico prior to his arrest. Garcia turned the pill press dies for these drugs over to the Government at the time of the sentencing.

Co-defendant **Chris Reed** in San Diego handled the credit card processing for World Express Rx. He was a partner with Kolowich in **World Express Processing**. Kolowich and Reed offered their services for a fee to other Internet pharmacies that were unable to get traditional banks to handle their processing. World Express Processing received about \$1 million per month from credit card charges in 2003, about half of which resulted from sales of World Express Rx or its affiliates.

### **Charges filed in the Southern District of Florida**

In addition to smuggling prescription pharmaceuticals into the United States from Mexico, Kolowich also conspired to have unapproved drugs made in India and Pakistan enter the United States via the Bahamas. Kolowich conspired with **Douglas Matthew Drew** in Miami, Florida, and **Jean Francois Blanc** in the Bahamas to import the counterfeit Viagra, in the case that originated in the Southern District of Florida.

As a result, counterfeit drugs were shipped from India to Blanc in the Bahamas. Blanc then shipped the drugs to World Express Rx customers in the United States. More than 900 of these packages were intercepted in Miami in September 2003. The government seized approximately 1.6 million pills in Florida, valued at approximately \$9.8 million. Blanc pled guilty to charges in Southern District of Florida for his role in the scheme while Drew pleaded guilty to unrelated charges.

### **MyRxForLess (Filed in the Southern District of California)**

One of the Internet pharmacies that used the services of World Express Processing was MyRxForLess.com. From December 2002 through March 2004, more than \$1.7 million in payments for credit card purchases from the MyRxForLess website were wire transferred from World Express in San Diego to MyRxForLess in Florida. MyRxForLess.com, which is registered to Charles Naron, advertised prescription drugs for sale with “no prescriptions needed.” In addition to processing credit card payments through World Express, Naron is also alleged to have purchased “generic” Viagra and “generic” Cialis from Kolowich and Chris Reed to sell to customers of MyRxForLess.

On November 5, 2004, **Charles William Naron, Stephen Lewis, Pamela Lewis, and Kristin Naron** were arrested in Florida on charges relating to their roles in the operation of MyRxForLess. Charges of conspiracy and money laundering, as well as criminal forfeiture, are pending against Charles Naron and Stephen Lewis, while charges of conspiracy to sell unapproved drugs and to commit mail fraud are pending against Pamela Lewis and Kristin Naron.

On November 5, 2004, **Jose Reynaldo Ortiz-Teran**, owner of Farmacia Sonora, was arrested in Arizona and indicted on November 17, 2004 by a federal grand jury in San Diego on charges of conspiracy, conspiracy to launder money and criminal forfeiture. The indictment alleges that Ortiz would obtain prescription pharmaceuticals without a prescription in Mexico and ship them to customers of Naron and MyRxForLess via the mail.

“The simple fact is that when people use the Internet to obtain prescription drugs, they take a risk because the drugs might not be what they appear to be. Consumers need to be aware that many of the safeguards that exist for bricks-and-mortar pharmacies do not exist for Internet pharmacies,” said U.S. Attorney Lam.

According to U.S. Attorney Marcos Daniel Jimenez: “The importation, manufacturing, and distribution of unapproved pharmaceutical products poses a significant danger to the well-being of our citizens. Together with our federal and state law enforcement partners, we will continue to hold responsible those who seek to profit by endangering consumers with unapproved drugs.”

A summary of the defendants charged in these cases is below.

**MARK KOLOWICH** -- San Diego, California. DOB: 12-28-59

Summary of Charges: (04-CR-1114-JM)

- Count 1: Conspiracy to Smuggle, Sell Counterfeit Drugs, and Commit Mail Fraud  
Maximum Penalty: 5 years in custody and/or \$250,000 fine
- Count 2: Conspiracy to Launder Money  
Maximum Penalty: 20 years in custody and/or \$500,000 fine
- Criminal Forfeiture: 18 U.S.C Section 982; property forfeited: approximately \$45,000 found in six bank accounts, the proceeds of the sale of property owned in Mexico (sale pending), proceeds of a promissory note from a restaurant.

Summary of Charges: (04-CR-2523-JM)

- Count 1: Conspiracy to Commit Offenses Against the United States  
Maximum Penalty: 5 years in custody and/or \$250,000 fine
- Count 2: Introduction of an Unapproved New Drug  
Maximum Penalty: 3 years in custody and/or \$250,000 fine
- Count 23: Smuggling,  
Maximum Penalty 5 years in custody and/or \$250,000 fine

**RELATED CASES – WorldExpressRx.com**

- **Odette Piderman**, San Diego, California, DOB 7-18-55. Pled guilty on April 22, 2004 to Conspiracy to Smuggle, Sell Counterfeit Drugs and Commit Mail Fraud, and Criminal Forfeiture. Sentenced on September 10, 2004 to 18 months in custody, \$4,000 fine, forfeited roughly \$55,000 from four bank accounts. Case # 04-CR-1113-JM.
- **Miguel Sahagun** – Packaged orders for World Express. Chula Vista, California. DOB 5-22-59. Pled guilty on April 15, 2004 to Conspiracy to Smuggle, Sell Counterfeit Drugs and Commit Mail Fraud, and Criminal Forfeiture. Sentenced on October 29, 2004 to 5 months in custody, followed by 5 months in a community confinement center, \$1000 fine; Forfeited Property in Chula Vista. Case # 04-CR-1023-JM.
- **Maria Sahagun** – Packaged orders for World Express. Chula Vista, California. DOB 1-12-60. Pled guilty on April 15, 2004 to Conspiracy to Smuggle, Sell Counterfeit Drugs, and Commit Mail Fraud and Criminal Forfeiture. Scheduled to be sentenced on Feb. 18, 2005 before the Hon. Jeffrey T. Miller. Forfeited Property in Chula Vista. Case # 04-CR-1023-JM.

- **Earl Howard “Ty” Laffoon Jr.** – Smuggled pharmaceutical from Mexico. San Diego, California. DOB: 8-26-61. Pled guilty on May 13, 2004 to Conspiracy to Smuggle and Sell Misbranded Drugs. Sentenced on August 6, 2004 to 3 years probation. Case # 04-CR-1117-JM.
- **Christopher James Reed** – Handled credit card processing for World Express. San Diego, California. DOB: 12-30-64. Pled guilty on May 21, 2004 to Conspiracy to Launder Money, Criminal Forfeiture. Scheduled to be sentenced on January 28, 2005 before the Hon. Jeffrey T. Miller. Forfeited \$700,000 from accounts of World Express Processing. Case # 04-CR-1139-JM.
- **Marguerite Paula Kuoha** – Handled customer service for World Express Rx. San Diego, California. DOB 3-27-55. Pled guilty to Evidence Tampering. Sentenced to 18 months in custody, \$2500 fine. Case # 04-CR-1152-JM.
- **John Eloy Aldaz** – Licensed pharmacist, secured supply from Mexico. Chula Vista, California. DOB 3-23-40. Pled guilty on August 24, 2004 to Conspiracy to Smuggle Merchandise into the United States. Sentence on January 7, 2005 to 3 years probation, 6 months in a halfway house, \$2000 fine. Case # 04-CR-2252-JM.
- **Jose Gustavo Garcia-Uriza** – Supplied pharmaceuticals from Mexico. Tijuana, Mexico. DOB 10-30-48. Pled guilty on August 19, 2004 to Conspiracy to Smuggle Merchandise into the United States. Sentenced on August 26, 2004 to 3 years probation, \$1000 fine, forfeited dies to manufacture pharmaceuticals. Case # 04-CR-2149-JM.

#### **RELATED CASES – MyRxForLess.com**

- **Charles William Naron** – Lake Worth, Florida. DOB 8-24-54.  
Count 1: Conspiracy to Sell Unapproved Drugs, Commit Mail Fraud and Sell Merchandise Imported Contrary to Law. Maximum Penalty: 5 years in custody and/or \$250,000 fine.  
Count 2: Conspiracy to Launder Money. Maximum Penalty: 20 years in custody and/or \$500,000 fine. Criminal Forfeiture: sought in the amount of \$1.7 million. Case #04-CR-2987-JM
- **Stephen Phillip Lewis** – Lake Worth, Florida. DOB: 2-10-51  
Count 1: Conspiracy to Sell Unapproved Drugs, Commit Mail Fraud, and Sell Merchandise Imported Contrary to Law. Maximum Penalty: 5 years in custody and/or \$250,000 fine.  
Count 2: Conspiracy to Launder Money. Maximum Penalty: 20 years in custody and/or \$500,000 fine. Criminal Forfeiture: sought in the amount of \$1.7 million. Case # 04-CR-3068-JM
- **Pamela June Lewis** – Lake Worth, Florida. DOB 4-8-45  
Count 1: Conspiracy to Sell Unapproved Drugs, Commit Mail Fraud, and Sell Merchandise Imported Contrary to Law. Maximum Penalty: 5 years in custody and/or \$250,000 fine. Criminal Forfeiture: sought in the amount of \$1.7 million. Case # 04-CR-3067-JM.
- **Kristin Erika Naron** – Lake Worth, Florida. DOB 3-12-79  
Count 1: Conspiracy to Sell Unapproved Drugs, Commit Mail Fraud, and Sell Merchandise Imported Contrary to Law. Maximum Penalty: 5 years in custody and/or \$250,000 fine. Case # 04-CR-3083
- **Jose Reynaldo Ortiz-Teran** – Agua Prieta, Mexico. DOB 6-29-61  
Count 1: Conspiracy to Sell Unapproved Drugs, Commit Mail Fraud, and Sell Merchandise Imported Contrary to Law. Maximum Penalty: 5 years in custody and/or \$250,000 fine.

Count 2: Conspiracy to Launder Money. Maximum Penalty: 20 years in custody and/or \$500,000 fine. Criminal Forfeiture: sought in the amount of \$920,000. Case # 04-CR-2999-JM

**RELATED CASES – Southern District of Florida**

- **Jean Francois Blanc** – Nassau, Bahamas. DOB: 2-27-44  
Plead guilty to Counts 1& 2: Introducing unapproved drugs into interstate commerce, and Count 3 Misprision of a Felony in concealing the importation of unapproved drugs into the U.S.  
Sentenced to 3 years probation with one year home confinement. Case # 04-CR-60100-Gold
- **Douglas Matthew Drew** – Miami, Florida. DOB: 1-30-62  
Plead guilty to Count 1: Conspiracy to introduce and unapproved drug into interstate commerce.  
Sentenced to 18 months incarceration, two years supervised release, and \$10,000 fine. Case # 03-CR-60214 Cohn.

#ICE #

*U.S. Immigration and Customs Enforcement is the largest investigative arm of the Department of Homeland Security*